

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: January 2, 2019

PERSONNEL LETTER #19-001
(Civil Service Only)

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Marissa Revelino, Chief
Personnel and Payroll Services Division

RE: VERIFICATION OF EMPLOYEES IDENTIFIED AS NONRESIDENT ALIENS

The State Controller's Office (SCO) maintains a database of all Nonresident Alien (NRA) employees. As of January 2, 2019, all employees identified as NRA, per federal tax withholding rules determined by the Internal Revenue Service (IRS), are on the NRA report, including those who are active, on leave or separated. The report is sorted by agency code and then by social security number. The report also includes tax exemptions and an 'X' if the person has separated. For more information on this process, please see Payroll Letter #06-030.

VIEWING THE NONRESIDENT ALIEN REPORT:

This report is now available on ViewDirect and will remain on ViewDirect until March 2019. You can access the report under ID PDW7170, report name "Employees Identified as Nonresident Aliens."

Only personnel authorized to access ViewDirect can view and print the report. For more information on accessing and printing ViewDirect reports, please refer to the ViewDirect User Guide on the SCO website at https://www.sco.ca.gov/Files-PPSD/viewdirect_user_manual.pdf (*SCO will not provide a hard copy version of the report*).

If your agency does not have the "Employees Identified as Nonresident Aliens" report (PDW7170) in the ViewDirect report directory, then there are no individuals employed at your agency on the NRA database.

VERIFYING THE REPORT:

Please review each record on the report and verify the employee is still an NRA per the rules indicated in the IRS Notice 2005-76 located at <http://www.irs.gov/pub/irs-drop/n-05-76.pdf>. Use the attached form to indicate any employee changes and complete the department name, contact person, contact number/email and authorizing signature.

If an employee separated or changed status and is no longer an NRA subject to the federal tax withholding rules, complete his/her name, social security number and enter '**delete**' in the type of change field. If there are any NRA employees missing from the report, add the employee's name, social security number and enter '**add**' in the type of change field. If there are no changes, please mark the box '**No Changes**' at the bottom of the form.

Return the completed form through secure fax at (916) 322-8137 or mail to the following address:

State Controller's Office
Personnel/Payroll Services Division
P.O. Box 942850
Sacramento, CA 94250-5878

Attn: Statewide Tax Support Program

All responses are due by January 10, 2019 to update our NRA database and to comply with the IRS.

EMPLOYEE ACTION REQUEST (EAR), FORM STD. 686:

Departments should verify that the employees on the report are claiming the appropriate federal marital status and number of federal tax exemptions. Per IRS Notice 2005-76, the listed NRA employees must claim a federal marital status of “S” for single, regardless of their actual marital status and cannot claim more than “1” federal tax exemption with exceptions made for Canada, Mexico, or South Korea. An NRA employee cannot claim exempt from federal taxes unless they are covered under a tax treaty.

Verify that employees complete their Employee Action Request (EAR), Form STD. 686 correctly. Do not accept documents that request a federal marital status or tax exemption other than allowed by the IRS. For employees on the report with incorrect federal marital status/tax exemptions, have the employees complete and submit a Form STD. 686 with the appropriate information.

If you have questions, please contact Sylvia Fernandez via phone at (916) 323-4923 or sfernandez@sco.ca.gov.

MR:JEB:SF:PPOB

Attachment

Authorizing Signature*:

[illegible]☐ No Changes

To State Controller's Office
Personnel/Payroll Services Division
P.O. Box 942850
Sacramento, CA 94250-5878
Attn: Statewide Tax Support Program